

Balkenende of the Netherlands. This item was not received in time for publication in the appropriate issue.

Remarks on Arrival at the National Building Museum

November 15, 2008

Summit on Financial Markets and the World Economy

Good morning. We had a good dinner last night. I am pleased with the progress we're making on—to, one, address the current crisis. I am pleased that we're discussing a way forward to make sure that such a crisis is unlikely to occur again. And I am pleased that the leaders reaffirmed the principles behind open markets and free trade. One of the dangers during a crisis such as this is that people will start implementing protectionist policies.

Obviously, you know, this crisis has not ended. There's some progress being made, but there's still a lot of more work to be done. And so we had a good, frank discussion last night. I look forward to the discussions today. And we'll see you after the meetings have ended.

Thank you.

NOTE: The President spoke at 7:53 a.m.

Remarks at the Summit on Financial Markets and the World Economy

November 15, 2008

Welcome. Good afternoon. We just had a very productive summit meeting. Thinking about 3 weeks ago, when I was talking to President Sarkozy and Barroso at Camp David—some of you were there—I don't think we could have predicted then how productive and how successful this meeting would have been.

The first decision I had to make was who was coming to the meeting. And obviously, I decided that we ought to have G-20 nations, as opposed to the G-8 or the G-13. But once you make the decision to have the G-20, then the fundamental question is, with that many nations, from six different continents, who all represent different stages of

economic development, would it be possible to reach agreements, and not only agreements, would it be possible to reach agreements that were substantive? And I'm pleased to report the answer to that question was, absolutely.

One of the things we did, we spent time talking about the actions that we have taken. The United States has taken some extraordinary measures. Those of you who have followed my career know that I'm a free market person—until you're told that if you don't take decisive measures then it's conceivable that our country could go into depression greater than the Great Depression. So my administration has taken significant measures to deal with a credit crisis. And then we worked with Congress to deal with the credit crisis as well.

And we're beginning to see some positive results. One of the things people around the table were interested in is, are you beginning to see the results of your actions? And our credit markets are beginning to thaw, having been severely frozen; businesses are beginning to get access to short-term credit. It's going to take more time for the measures we have put in place to take hold. No question about that. As a matter of fact, we just started, for example, on the \$700 billion fund, to start getting money out to our banks. So it's going to take more time.

But I was pleased to tell the folks around the table that the significant actions we've taken are beginning to work. All of us committed to continue to work on pro-growth economic policies. It's phrased different ways—fiscal plans—but the whole point was, was that we recognize that, on the one hand, there's been a severe credit crisis, and on the other hand, our economies are being hit very hard. And so there was a common understanding that all of us should promote pro-growth economic policy.

We also talked about broader reforms. So in other words, the discussions were focused on today and what we're doing about it, but what are we going to do to make sure it doesn't happen tomorrow.

One of the key achievements was to establish certain principles and to take certain actions for adapting our financial systems to the

realities of the 21st century. A lot of the regulatory structures that are in place were 20th century regulatory structures. And obviously, you know, the financial industry went way beyond them. And the question is, how do we establish good regulatory structure without destroying the incentive to innovate, without destroying the marketplace?

Our nations agree that we must make the markets—the financial markets more transparent and accountable. Transparency is very important so that investors and regulators are able to know the truth—considered improving accounting rules, so that investors can understand the true value of the assets they purchase. We agree that we need to improve our regulations and to ensure that markets, firms, and financial products are subject to proper regulation and oversight.

For example, credit default swaps, financial products that ensure against potential losses, should be processed through centralized clearinghouses. That's a significant reform. Heretofore, the credit default swaps were traded in over-the-counter, unregulated markets.

Yesterday, the Working Group on Financial Markets, which is, obviously, associated with the White House, announced an initiative to create these kinds of clearinghouses. And I know that other nations are working on them as well. This process will help expedite credit default swaps and other types of instruments not being traded in unregulated, over-the-counter markets. By bringing greater stability to this important sector, we will help with liquidity, but also mitigate risk.

Third, we agreed that we must enhance the integrity of the financial markets. For example, authorities in every nation should take a fresh look at the rules governing market manipulation and fraud to make sure that investors in all our countries are properly protected. We agree that we must strengthen cooperation among the world's financial authorities. There was a lot of discussion about the International Monetary Fund and the World Bank, for example.

Leading nations should make regulations consistent. As well, we should reform the international financial institutions. Again, these institutions have been very important—the World Bank, IMF—but they were

based on an economic order of 1944. And so, to better—we agreed that to better reflect the realities of today's global economy, both IMF and World Bank should modernize their governance structures. They ought to consider extending greater voter—voting power and representation to developing nations, particularly those who have increased their contributions to the institutions.

All this is an important first step. In other words, this is the beginning of a series of meetings. People say, "Well, why don't you have one meeting and, you know, call it 'Bretton Woods II'?" Well, Bretton Woods I took 2 years to prepare. I don't know what you want to call this one, but whatever name comes from this meeting, it took 3 weeks to prepare. And so it makes sense to come out of here with a firm action plan, which we have.

It also makes sense to say to people that there is more work to be done, and there will be further meetings, sending a clear signal that a meeting is not going to solve the world's problems. A meeting will help begin a process so that we can say over time that we will have a regulatory structure in place that will make this less likely to happen in the future.

And so we've directed our finance ministers to work with other experts and consult with officials in other economies and then report back to the leaders with detailed recommendations. Whatever we do, whatever reforms are recommended, we need to be guided by the—this simple fact: That the best way to solve our problems and solve the people's problems is for there to be economic growth. And the surest path to that growth is free market capitalism.

Leaders at this summit agreed on some other matters of importance. One is to reject protectionism and refrain from erecting new trade barriers. This is a very important part of this summit. The temptations in times of economic stress will be to say, "Oh, trade isn't worth it; let's just throw up protective barriers." And yet that attitude was rejected, thankfully. And matter of fact, not only rejected, there is a determined effort to see if we can't complete the modalities for Doha by the end of December.

One of the things I stressed as well is that the United States, in the midst of this financial crisis, will not abandon our commitments to people in the developing world; that the HIV/AIDS initiative, known as PEPFAR, will remain strong and vibrant; that our deep desire to significantly reduce malaria deaths in countries on the continent of Africa will not be diminished; that our obligation to help feed the hungry will not stop; that in the midst of all this turmoil and financial crisis, we will meet our obligations. These obligations are in our national security interests and our economic security interests, and they in—are in our moral interests.

And so I will tell you that I thought this was a very successful summit. And they're going to meet again. I keep saying "they" because some of you may not have heard yet, but I am retiring. But I told the leaders this: That President-elect Obama's transition team has been fully briefed on what we intended to do here at this meeting. I told them that we will work tirelessly to make sure the transition between my administration and his administration is seamless. And I told them that I hope he succeeds, that it's good for our country that people see a peaceful transfer of power. And I hope it was good for them to hear that even though we're from different political parties, that I believe it's in our country's interest that he succeed.

So I want to thank you for giving me a chance to come and visit with you. Thanks for covering this summit. Goodbye.

NOTE: The President spoke at 2:11 p.m. at the National Building Museum. In his remarks, he referred to President Nicolas Sarkozy of France, in his capacity as President of the European Council; and President Jose Manuel Durao Barroso of the European Commission. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Remarks on Presenting the Presidential Citizens Medals

November 17, 2008

President Bush. Congratulations to our recipients. Welcome, the families and friends here at the White House.

The Presidential Citizens Medal was created nearly four decades ago to recognize Americans who have performed exemplary service to our Nation. It is among one of the highest honors that can be conferred on a citizen. As President, I rarely have the opportunity to surprise anybody. [Laughter] It is tough to be stealthy with a security detail that comprises a 20-car motorcade. [Laughter] That makes me especially pleased to present the President's Citizens Medal to four outstanding and unsuspecting leaders in the arts: Bruce Cole, Dana Gioia, Adair Margo, and Bob Martin. [Applause] No, no; not yet. Please do not rush the stage. [Laughter] Remember the big security detail? [Laughter]

As leaders of our Government's cultural institutions, each of today's recipients have made lasting contributions to American life and civic culture, and each is greatly deserving of this honor.

As Chairman of the National Endowment of Humanities, Bruce Cole has encouraged the study of American history through the "We The People" program and has helped preserve America's rich heritage for future generations.

As Chairman of the National Endowment of the Arts, Dana Gioia has combined his passion as a poet and his skill as a businessman to enrich the lives of Americans, from young readers to soldiers returning from war.

As the Chairman of the President's Committee on the Arts and Humanities—and a fellow Texan—[laughter]—Adair Margo has rallied support for American cultural institutions and has used the arts to strengthen our relationships with nations from Mexico to China.

As former Director of the Institute of Museum and Library Services, Bob Martin has helped preserve our treasured collections and bring libraries and museums into the 21st century with new technology. He's helped recruit and train a new generation of librarians to replace the many skilled library professionals who are preparing to retire. I know of such person preparing to retire. [Laughter]

Bob Martin's successor, Anne Radice, could not be here. This is a stealthy ceremony. [Laughter] She's doing something else. But nevertheless, in appreciation of her